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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 003136

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SUBJECT: NEPAL: MECHANISMS FOR PEACE SLOW-MOVING

REF: KATHMANDU 3091

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) ON November 30, Hannes Siebert and Retief Olivier, USAID-funded peace facilitators working with Nepal's Peace Secretariat, told the Ambassador that the primary focus of

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the Secretariat during the past week had been Terms of Reference for the various mechanisms envisioned in the November 21 Comprehensive Peace Agreement (CPA) (reftel). Siebert and Olivier both stated that the Government of Nepal (GON) and the Maoists had been working on plans for implementation separately, but that they were not working together as of yet. Siebert explained that discussions were ongoing regarding Local Peace Councils, and that such decisions would be finally decided by the Interim Government. The Ambassador once again worried that the councils could become a tool for the Maoists unless sufficient safeguards were in place.

Terms Of Reference: The Job Of The Day

2. (C) In a November 30 meeting with the Ambassador, USAID-funded peace facilitator Hannes Siebert said that the Peace Secretariat had been primarily focused during the past week on creating Terms of Reference (TOR) for the various commissions envisioned in the CPA: the Truth and Reconciliation Commission, the National Peace and Rehabilitation Commission, and the High-Level State Restructuring Recommendation Commission. Siebert complained that the UN wanted to advise the GON on the TORs but that the UN felt it was unable to tell the GON what to do and still maintain its role as an unbiased observer. Siebert explained that the High-Level State Restructuring Recommendation Commission would be a think-tank for ideas on restructuring and reform of the various ministries that would feed information into the Constituent Assembly once it was formed.

High-Level Joint Monitoring Committee

13. (C) Siebert stated that the High-Level Joint Monitoring Committee would be formed with five observers not affiliated with political parties. He explained that other bodies (such as the Peace Secretariat) would be responsible for the implementation of suggestions from the Joint Monitoring Committee, but it was still unclear under what authority the Committee would work or who it would report to.

GON and Maoists Not Playing Well Together

14. (C) Siebert told the Ambassador that the GON and the Maoists were working on parallel plans for most of the commissions, but had not worked well together to this point. Siebert gave the example of the management and operation of Maoist cantonments. He said that both the GON and the Maoists had created separate plans for the management of the cantonments, but that they still had not worked together to create a working plan. Siebert hoped the two sides would work on the cantonment issue on the afternoon of November 30. Siebert stressed that the working habits of the GON and the Maoists would have to change before successful implementation of the agreements.

Local Peace Councils: Can They Happen?

15. (C) Both Siebert and Retief Olivier stated that local Peace Councils were the best hope for creating a lasting peace in the countryside. Olivier said that the councils would likely be created as a function of local government once the local governments were reinstated by the Interim Council of Ministers. Olivier said it was clear that the

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Maoists were "not very keen" on the idea of local councils and restored local governments, but that the Seven-Party Alliance (SPA) viewed these as key to getting the non-Maoist parties back into the countryside. Olivier worried that if each Peace Council was simply part of a local government, then it would be too politicized to play an effective role in monitoring and implementation of the CPA.

16. (C) Olivier suggested a type of "hybrid" approach to the Peace Councils: district-level Peace Councils could be formed with authority over the local Councils, thus giving the local Councils a certain degree of independence from political pressures. The Ambassador worried that whoever controlled local government might try and control the local Peace Councils as well, and they could simply become a tool for the Maoists to use to bully their way forward in elections.

Worried About Continuance Of Funding

17. (C) Siebert and Olivier worried that as soon as the Maoists entered into the Interim Government, their work with the Peace Secretariat would have to stop. The Ambassador assured them that the Embassy was looking at getting an Overseas Foreign Assistance Control (OFAC) license to ensure that programs like theirs at the Peace Secretariat, which may have the best potential for effecting a positive outcome in the peace process, continue.

Comment

18. (C) Local peace councils are likely the best opportunity for the U.S. to have an effect on the outcome of the peace process in Nepal. That said, it is possible that the Maoists could try and use those councils to maintain their effective control over much of the countryside. We will continue to work through Siebert and Olivier in the Peace Secretariat and with the GON to press for strong mechanisms to hold the Maoists accountable for their actions, including the creation

of independent local councils with the ability to sanction violations of the CPA.
MORIARTY